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A. S. WATSON & CO., LIMITED.

THE HONGKONG DISPENSARY.

Hongkong, 19th November, 1894.

NOTICE TO CORRESPONDENTS.

Only communications relating to the columns should be addressed to the Editor.

Correspondents are requested to forward their names and addresses with communications addressed to the Editor, not for publication, but as evidence of good faith.

All letters for publication should be written on one side of the paper only.

No anonymous signed communications that have appeared in other papers will be inserted.

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Telephone Address Press.

P. O. Box 22. Telephone No. 11.

BIRTH.

On the 10th instant, at Kowloon City, the wife of C. P. C. LITTON, of a son.

The Daily Press.

HONGKONG, DECEMBER 12TH, 1904.

With the fall of Port Arthur it might be thought that the last illusion of the Chinese with regard to the ability of their armies to check the progress of the Japanese legions had died. The previous defeats and even the occupation of a district of Manchuria, in which the Japanese have set up a provisional government, would have caused the scales to fall from the eyes of any other race; but the Chinese in this respect, as in some others, are peculiar; they either refuse to accept accomplished facts or—in the case of those remote from the scene—oppose a cold and absolute incredulity to all reports of Chinese defeats. At the present moment there are probably few persons in Kwangtung who believe in the accounts of Chinese reverses; they simply regard them as invocations of the enemy. It is the practice and the policy of the mandarins to spread stories of Chinese victories and of great slaughter of the Japanese, which they know to be false, and these narratives, chime in with the wish of the people, are eagerly passed and implicitly believed. If some Chinaman possessing a knowledge of English, who has read the English papers, and believes what they contain, endeavours in an evil moment for himself, to enlighten his countrymen as to the real position of affairs he is derided and insulted as a friend and upholder of the foreign devil, and his hearers still maintain their obstinate incredulity. One reason for this is the national vanity which refuses to allow superiority in any foreign nation; and when, or whenever, proof being forthcoming, and they are convinced against their will that the results of the same option still, namely, that it was all either an accident or a mistake. The immense area of China, the magnificent distances which intervene between most of the provinces and the seat of war, the tardiness with which news penetrates to the interior, and the indifference with which events—even calamities—happening in remote provinces are regarded, all help to account for the difficulty experienced in piercing the hide of this great but flabby empire. The conquest and loss of half a dozen maritime provinces would scarcely be felt in Szechuen or far Kan-su, and the establishment of the Miao in Peking would probably be regarded with comparative indifference in Hupé.

The Peking Government are of course now fairly alive to the situation. They can no longer be lulled with reports of bogus Chinese victories, and the old fables about the prowess of the Peking Squadron cannot be repeated. One of the Censors has drawn up a "most meretricious indictment of Li Hung-chang, in which, without naming that once powerful Viceroy, he exposes all the defects in his conduct, of the war, and applies the scalpel in such an unflinching manner that any less influential personage would ere this have probably paid forfeit with his head. But the Viceroy is either

considered useful or he is not yet a salable, having still the command of an army, for though he has been deprived of his honours, he remains in office both as Viceroy and as member of the Grand Council. His past services are not considered as entailing him in different treatment, and it may be thought that the experience as a diplomatist will enable him, by statecraft, to repair his errors and unpopularity for war has occasioned. The ways of the Viceroy Li have, however, always been crooked. It is no doubt at his suggestion that Mr. Customs Commissioner Derringer, who has for many years been associated with the Viceroy at Tientsin in different matters, was despatched to Japan as an accredited envoy to propose terms of peace. That move was soon found to be a grave mistake, and with characteristic Chinese cunning an effort was promptly made to escape the consequences of the rebuff received by telegraphing to their agent to return as the services of the American Minister as mediator had been enlisted. This was an artful move, but it is not likely that it imposed on the Japanese Government. They must have known perfectly well that the employment of a subordinate foreigner to treat with them was intended to save Chinese face in any case if China were compelled to accept the terms imposed, while in the event of hostilities taking a more favourable turn for China the Peking Government would not have hesitated to disavow a treaty negotiated by a foreigner. The slap in the face administered to China by the Japanese Minister for Foreign Affairs in refusing to see the Customs Commissioner was richly deserved. The Peking Government will have to sue for peace in person at Tokyo, or beg it at Peking from the victorious Japanese Commander-in-Chief. In no other way, as the Japanese Government clearly perceive, is there any chance of a lasting settlement of the present war being arrived at. The pride of China must be humbled, and the whole of the Chinese nation must be made aware that the Government has been abused. This attempt of Li Hung-chang to escape the consequences of his maladministration has signally failed. It is now most probable that he himself, with Prince Kuwé, will be despatched to Japan to sue for terms of peace. A failure to obtain terms considered satisfactory at Peking may prove his death warrant. To refuse to proceed on such a mission might give equal offence at the capital. The Viceroy may thus be placed on the horns of a dilemma.

To escape such a dilemma his Excellency may prefer that the conflict should proceed, and if so he will endeavour to delay the despatch of an Embassy to Japan. This may not prove difficult, and if meanwhile the Japanese capture Peking they may be able to dictate their terms in that capital. What these terms will be can at present only be surmised. They will no doubt include an indemnity, but whether it will amount to the sum recently named by Reuters we cannot say. It is most probable—indeed, it is almost certain—that some territorial concession will be demanded. The island of Formosa and the three Manchurian provinces of Shingking, Kirin, and Taitshai, have been named by Japanese papers as the necessary guarantee to be given by Chinese in addition to a pecuniary indemnity. It has also been suggested that the opening of further ports to foreign trade would be insisted upon. But we have no authority for any such conclusions. The Japanese Government do not allow any hint of their intentions to creep out. When the time comes for the discussion of the terms of peace they will produce their conditions ready cut and dried, which they will probably stipulate to pretty closely. They will certainly stipulate for the independence of Korea, either under a Japanese or a joint protectorate, in which, however, China will have no share. They may insist on a temporary occupation of Shingking and possibly the permanent possession of the Liaoning peninsula. They are very likely to ask a huge indemnity, beyond the ability of China to readily pay, and offer to accept Formosa instead thereof. They will beyond doubt demand payment by China of the expenses of the war and the session of the remains of the Chinese fleet. The terms will be heavy because it will be the aim and desire of Japan to incapacitate China for many years from any attempt to renew the contest, and so long as the demands made do not directly conflict with foreign interests the Treaty Powers will have neither the right nor the inclination to interfere. The Chinese Government, by its utter selfishness and consistent turpitude has alienated sympathy and disgusted would-be friends. If, there, by any possibility, could be found any substitute to put into its place, the fall of the rotten system of government established at Peking would be hailed with universal satisfaction. As, however, there seems no likelihood of the Manchu Government being replaced by anything better, the Powers will probably prefer to see the Chinese Government broken up, and the Empire or its partition among themselves. But, as Sir THOMAS WADE evidently believes, China is likely to become the Sick Man of the East after the disappearance of the Turk from the Bosphorus, and her crushing defeat in her decadence than the signal for her rejuvenescence.

There will be a Volunteer Church Parade on Sunday.

The Russian man-of-war "Rostovsk" arrived at Shanghai on the 7th inst. from Nagasaki.

Admiral Fomansky was to leave Shanghai for Hankow in the "Albatross" on Sunday morning.

Tsai Kung, the ex-Olivier Commandant of Port Arthur, is in Shanghai, having come down to that port in cog.

The Hon. C. Fremantle and Lady and Miss Fremantle arrived yesterday from Shanghai by the M. S. steamer "Caledonia."

Mr. Ferguson, the Netherlands Minister to China, who had been involved in a passenger for Europe by the M. S. steamer "Caledonia."

The insurance office at Shanghai, owing to the frequent cases of incendiarism, have offered a reward of \$500 for information to secure convictions.

The following vessels (two from the Mervoy) were seized in Port Arthur when the place was captured. Two torpedo boats, two merchant vessels, and one small cruiser (building).

The Minister of Education and Shipbuilding has issued invitations for a dance at St. James's Hall on the 31st inst.

A new Russian loan on the London market is regarded as a "sensible" addition to the improved relations existing between the two countries.

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